



MANAGEMENT LETTER POINTS

Somerset Independent School District
Somerset, Kentucky

In planning and performing our audit of the financial statements of the Somerset Independent School District for the year ended June 30, 2015, we considered the District's internal controls in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. We previously reported on the District's internal control in our report dated November 13, 2015. This letter does not affect our report dated November 13, 2015, on the financial statements of the Somerset Independent School District. The conditions observed are as follows:

HOPKINS ELEMENTARY

1-15

Statement of Condition: Monies spent on staff and faculty (i.e. flowers, disciplinary forms, etc.) paid out of an account other than faculty/staff revenue generating activity fund account.

Recommendation for Correction: Ensure that monies generated by the staff/faculty are put into a separate activity account identified as being for the staff/faculty; this allows easy accountability of revenue and expenditure tracking. Only vending machine revenues located in an area that students do not have access to are authorized to be receipted into the faculty/staff activity fund account. Only monies in this account can be used for faculty/staff activities.

Management Response to the Recommendation: Only Monies generated by staff and faculty will be used to pay for anything for staff and faculty.

2-15

Statement of Condition: Paid invoices are not consistently being filed in check numerical order by month.

Recommendation for Correction: The school treasurer shall file all documents for a disbursement together by month, in numerical check order.

Management's Response to the Recommendation: Paid invoices will be filed in check numerical order by month.

3-15

Statement of Condition: Fund Raiser Worksheet (F-SA-2B) is not being utilized for all fundraising events that require one.

Recommendation for Correction: For each fundraising event, the sponsor responsible for the administration of the fundraiser will fill out the Fund Raiser Worksheet (F-SA-2B). After completion of the fundraiser, the sponsor will submit the completed Fund Raiser Worksheet to the Principal for review. After review, the principal will give the Fund Raiser Worksheet to the school treasurer to file with other financial documents.

Management Response to the Recommendation: Fund Raiser Worksheets will be utilized for all Fundraising events that require one.

MEECE MIDDLE SCHOOL

No conditions.

SOMERSET HIGH SCHOOL

No conditions.

We will review the status of these conditions during our next audit engagement. We have already discussed many of these conditions and suggestions with various District personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Condition 1-15 is a repeat condition from the prior year; all other conditions have been implemented and corrected. Mr. Kyle Lively, Superintendent, is the person responsible for initiation of the corrective action plan for the above comments which will be implemented immediately. The corrective action plan is the management response for each condition.

We would like to thank the Finance Officer and their department for their support and assistance during our audit.

This report is intended solely for the information and use of the Board of Education, management, and others within the district and is not intended to be and should not be used by anyone other than these specified parties.

White & Associates, PSC

White & Associates, PSC
Richmond, Kentucky
November 13, 2015